

**Information Paper**  
**CFO ISSUES – FY 2000 AUDIT**

**Issue:** CEFMS User Access Permissions

**References:** None

**Description:** USAAA queries of user permission tables reveal that districts are not adequately restricting District Operating Budget approval authority. The same type of query also revealed that districts are also granting the same individual create, approve, obligate and receipt of goods permission against a single work item. Both practices could result in fraudulent acts, although the USAAA audit did not uncover any such acts. USAAA reported these findings in its 1998 Lessons Learned Report, which was distributed to all divisions.

**Requirements for Compliance:**

**Standard:** USAAA maintains that there is no system (programming) flaw. They recommend that districts put management controls in place to insure that:

1. Only the Commander and a few key Resource Management (RM) officials have operating budget approval authority;
2. No one individual be granted all four authorities (initiate, approve, obligate funds and receive goods) against the same work item (separation of duties), except IMPAC cardholders.

**Field Actions:**

1. Review user permissions table for Operating Budget approval. Grant authority only to the Commander and, if necessary, to a few key RM officials.
2. Review all user permission tables. Change permissions so that nobody has both obligating and receiving authority except for IMPAC cardholders. Review all transactions in which the same individual executed all four phases of the transaction.

**Headquarters Action:** CERM: Policy statement to be updated.

## **INFORMATION PAPER: CFO ISSUES—FY2000 AUDIT—CEFMS Users Access Permissions**

### **Self-Assessment Rating Criteria:**

#### Green (Compliant):

1. Budget Approval Authority: Table has been reviewed. Budget approval authority is granted to the Commander or Director of the activity and to at least one of the following: (a) Deputy Commander or Director of the activity, (b) Deputy Chief of Staff, Resource Management or Resource Management Officer or his/her deputy. No other individual is granted budget approval authority.

2. PR&C Authorities: An individual has been designated to run SQL query PRCPRM.SQL (available on the CERM web site) on a monthly basis. The query (a) runs against the CEFMS User ACCESS table to check permissions and (b) checks for CEFMS transactions in which an individual executed all four authorities, on a monthly basis and, (b) . If any employees other than IMPAC cardholders are listed in the query results as having obligating and receiving authorities to accomplish a PR&C against a single work item, the individual's supervisor is to be notified and action is to be taken to remove one of the authorities within 72 hours. If any individual has executed all four authorities in a single transaction, the information will be sent to his or her supervisor for review. (Sometime in 2000, an edit will be built into CEFMS which will preclude an individual from obligating and receiving on any single purchase other than those made by using the IMPAC card.)

**Milestone:** Activity designee to run query on a monthly basis.

**Estimated Completion Date:** 30 January 2000.

**USAAA POC:** Joseph Bentz, 761-5292.

Edward B. Vogel  
CERM-P  
761-1959  
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